

SPOTLIGHT

A publication focusing on loss prevention information from the Risk Management Division of Washington State's Office of Financial Management

RISK MANAGEMENT DIVISION
OFFICE OF FINANCIAL MANAGEMENT

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WASHINGTON STATE RISK MANAGER RETIRES

John Nicholson, Coordinator for the Risk Management Division, and Washington State Risk Manager, retired February 27, 2007, after 37 years of state service.

Mr. Nicholson served as the State Risk Manager from July 1, 2002, when legislation moved the Office of Risk Management in the Department of General Administration (GA) to the Office of Financial Management as the Risk Management Division. Prior to that he served as Acting Assistant Director for a division that included risk management, state motor pool and consolidated mail services.

Mr. Nicholson's "insurance roots" with state government began in 1994, where he served as Director of the Local Government Self-Insurance program, which is also part of the Risk Management Division. His always respectful and polite manner and leadership style are evident in the way he describes managing the local government self-insurance program: "establishing relationships with local governmental entities by demonstrating sensitivity to their needs and a respectful presence of the state's oversight role".

Mr. Nicholson graduated in 1965 from the College of Architecture and Urban Planning at the University of Washington, with additional studies at UW and the University of Puget Sound in Tacoma.

He worked as a facilities engineer at the Boeing Company in the Auburn and Renton plants managing new and renovation construction projects from 1966 to 1970. This proved to be valuable experience for his managerial work with the State of Washington, which began in 1970



John Nicholson thanking staff, colleagues and friends at his retirement celebration.

with his position as Contracts Administrator for the then Division of Engineering and Architecture at GA. From there he served as Director of Administrative Services, and eventually as Deputy Director of GA from 1981 to 1989. Linda Villegas Bremer, Director for GA, referred to him as "Mr. GA" at a recent retirement celebration, recognizing his years of service and accomplishments at GA.

Mr. Nicholson's accomplishments are many, but when asked what he is most proud of during his tenure at the Risk Management Division, "reducing the state's rising trend of actuarial projections of outstanding tort liabilities tops the list," said Mr. Nicholson. Other accomplishments that his staff will quickly point to include RMD and DOT claim processing duration reduction, and the most recent, soon to be realized event, the impending roll-out of the new iVOS risk management information system. Mr. Nicholson also launched and staunchly supported a variety of loss prevention initiatives, some based on successful strategies used by those he worked with in local government insurance pools.

"Pioneering the implementation of the Office of Minority and Womens Business Enterprises program within GA is another program that I was proud to be a part of", said Mr. Nicholson. His accomplishments did not go unnoticed. Mr. Nicholson received the Governor Spirit of Community Award in 1986 for designing a new program to distribute government surplus commodities to food banks. In 1998 he received the Governor's Distinguished Management Leadership Award.

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Commercial Insurance Update

Put Time on Your Side in Risk Financing



When agencies take the *time* to provide thorough updated underwriting information (property values, foreign trips, FTEs, etc.), the Risk Management Division (RMD) and the state's insurance broker can make more informed decisions about renewal coverage. Agencies benefit because the broker is positioned to seek the best coverage for insurance dollars paid using the most up-to-date information.

Potential problems can be avoided by not only taking the *time* to provide updated information, but completing it on a *timely* schedule. The one phone call an agency makes to RMD providing underwriting updates translates into calls to the insurance broker by RMD and in turn, more calls from the broker to many underwriting companies in pursuit of the best coverage for the state's dollar. Like all of us who cringe at the dreaded "I need it by yesterday" requests we occasionally get, brokers and underwriters appreciate and need time to adequately assess underwriting data to price out agency coverage requests. In turn, RMD needs some *time* to assess all the quotes and determine the most cost effective risk financing strategy for state agencies. By the simple act of honoring established deadlines for underwriting updates, agencies are ensuring themselves better coverage for the insurance premium dollars they pay.

For questions about risk financing or insurance renewals, contact Claudia Schmitz at claudia.schmitz@omf.wa.gov , or phone at 360-902-7306.



CLAIMS

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RMIS Update

The Risk Management Division's (RMD) Risk Management Information System (RMIS) Project staff reports significant progress the last three months in implementing iVOS.

Customized development is well underway on features that will enhance the State's ability to track and analyze information on incidents, tort claims, and resulting litigation. The project team expects a flurry of activity to include data conversion, acceptance testing, user training, and go-live implementation.

Adding to the excitement is the recent issuance of a request for proposal (RFP) for an Enterprise Document Management System (EDMS) to integrate with the iVOS. A successful bidder is expected to be announced the first part of March. The Risk Management Division implemented full image scanning for tort claims three years ago. The advent of EDMS provides seamless indexing and retrieval of documents needed by the Risk Management Division in administering its programs for:

- Self Insurance Liability
- Risk Finance
- Loss Prevention
- Loss Prevention Review Team

Watch "Claims Corner" for future RMIS updates or contact project coordinator Joan Mackey for more information at joan.mackey@ofm.wa.gov or 360- 902-0528.



WASHINGTON STATE RISK MANAGER RETIRES (CONT.)

When asked about significant changes he has seen over 37 years in state government, he cites the advent of e-mail and office technology at the top of the list. "There are few phone calls and almost no letters now," he said. As for the future, Mr. Nicholson sees a time where there is an on-line system for e-mail and other documents for even more efficient claims processing. He also sees more Risk Management Division authority for required risk management programs in state agencies.

Like most retirees, he has a long list of pursuits planned to take up the so called leisure time of retirement. After some ambitious landscaping projects, he plans to enjoy travel, golf, expanding his model trains and his favorite passion -- vintage cars, particularly the DeSoto. Mixed in with all those activities, is the most important one of all—spending more time with 16-month old granddaughter, Julia.

Congratulations, John, and best wishes for an equally successful retirement!



John Nicholson and OFM Director,
Victor Moore

LEGAL



LINKS

Often during the course of litigation, agencies may receive public records requests that pertain to the litigation. Agency staff should be sure to coordinate with defense counsel, seek legal assistance with exemptions and redactions, and make an extra copy of all records produced and withheld so that defense counsel's file is complete.

Disclaimer: This is not legal advice and should not be used as legal advice. It is merely a general educational item that may be of use to risk management efforts within state agencies.

**RMD STAFF FOCUS****RMD Welcomes New Loss Prevention Coordinator**

Drew Zavatsky joined the Risk Management Division December 1, 2006, as the new Loss Prevention Coordinator. In addition to supervising staff, he manages the Loss Prevention Review Team program.

Drew previously worked in the Complex Litigation Division of the Attorney General's Office. He has been an attorney for over fifteen years, including a decade as a deputy prosecutor in King County. He looks forward to using his organizational, networking, and writing skills in managing the Loss Prevention Team.

His personal life is filled with a zest for bicycling and running, which he points out, comes in handy with two teenage sons. Drew also loves soccer. He's not fond of home projects, but proudly points to a successful venture in that area (building a hot tub from scratch). When he slows down a bit, he enjoys spending time in the kitchen cooking and also doing crossword and sudoku puzzles.

Drew lives in Seattle with his wife Jenny, a middle school teacher (and former lawyer he met in law school), in addition to his two teenage sons. Two dogs—a big white rescue mutt, and a teething Australian Sheppard puppy—round out the family. Contact Drew at drew.zavatsky@ofm.wa.gov or 360-902-9813.

SUV Rollover Accidents

A December 2006 *Automotive Fleet* article indicated that in a study conducted by CEI, a provider of vehicle accident management and fleet risk management services, fleet customer vehicle accident data showed that



SUVs are 12 percent more likely to be involved in an accident on snowy, icy, or wet roads than sedans. Compared to all accidents by vehicle type, SUVs have higher accident rates in bad weather than sedans, crossover vehicles, and minivans.

"SUVs are among America's most popular vehicles, and one of the reasons is the notion that they're safer. In truth, in a collision SUV occupants are less likely to be injured than in a smaller vehicle, but it's a

misconception to think that SUVs are safer than sedans in every way and under all roadway conditions," said Edward Corbally, director of risk and safety services for CEI.

Fast Fact:**State Motor Pool Drivers
SUV Rollover Accidents**

2001 - 5
2002 - 4
2003 - 0
2004 - 0
2005 - 0
*2006 - 2



**On December 21, 2006, a 2004 Ford Expedition slid on any icy highway, rolling into the median. The other 2006 rollover accident also involved an icy roadway.*